



Expanding Recycling in Michigan

April 2006

Prepared for
Michigan Recycling Partnership

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Executive Summary

This report documents the need for, and economic benefits from, increasing recycling in Michigan. It summarizes Michigan's municipal solid waste (MSW) recycling performance, identifies and summarizes selected model state recycling programs, and quantifies the economic benefits of increased recycling.

This report does not recommend specific policies or strategies for increasing Michigan's recycling rate, although it does provide examples of other states and local communities that are finding success. It is important to note that there is no single answer to increasing and sustaining recycling rates; various components must work together and complement efforts in all sectors and levels of government.

MICHIGAN IS WOEFULLY BEHIND IN ITS RECYCLING EFFORTS

Ironically, while Michigan is nationally recognized as a leader in conservation and environmental protection, the state is woefully behind its neighboring states and the nation in its MSW recycling efforts. The data presented in this report clearly show this:

- Michigan's recycling rate of 20 percent is lower than the other Great Lakes states (30 percent) and the U.S. (27 percent) averages.
- Michigan's recycling rate decreased by 20 percent from 1994 to 2004, while every other state in the region had at least a marginal increase in recycling.
- The per capita recycling rate (0.38 tons/year/person) has remained almost stagnant and continues to be below the regional and national averages (0.44 and 0.46, respectively).
- Unlike many states, Michigan does not collect or require reporting of MSW recycling data; therefore, Michigan does not have the ability to measure the state's recycling performance or its handling, collection, transport, and marketing of recyclable materials.
- Michigan's recycling program is funded at a fraction of the level of other Great Lakes state programs and ranks 41st out of 48 states that reported their allocations for recycling.
- Only 37 percent of Michigan residents have access to curbside recycling, the lowest percentage of all the states in the region.
- Michigan has not invested in developing or sustaining markets for recycled materials, and some businesses have to import recycled materials from other states because of the inconsistency in local supplies.

THE PUBLIC SUPPORTS AND IS WILLING TO PAY FOR INCREASED RECYCLING

Despite this dire picture, there is hope for a comprehensive recycling strategy in Michigan. Polling shows that Michigan residents overwhelmingly support the idea of comprehensive recycling—90 percent of survey respondents indicate that they are “very” or “somewhat” likely to support such a program. Residents also say that they are willing to pay for a comprehensive recycling program. Convenience is a critical key to success.

OTHER STATES ARE MORE SUCCESSFUL THAN MICHIGAN AT RECYCLING

Many states in the Great Lakes region and nationwide have made a greater commitment to recycling than Michigan. While states took different approaches to meet this commitment, there are key elements among successful programs around the country. The states with the highest recycling rates are generally those that:

- Provide the greatest opportunity to recycle and have strong statewide solid waste and recycling policies (e.g., every Oregon community with a population over 4,000 must have at least three recycling program elements available)
- Set clear and sometimes ambitious local and statewide goals
- Provide funding, tools, and technical assistance for communities to meet target goals
- Encourage source reduction in tandem with a recycling program
- Incubate and support markets for recyclable materials to close the waste stream loop and help bring recycling programs closer to being self-sustaining and even profitable
- Target education and recycling programs for different classes of waste generators (construction, schools, small/medium-sized business, residential, state departments, etc.)

MANY LOCAL MICHIGAN COMMUNITIES HAVE STRONG RECYCLING PROGRAMS

Despite the poor performance of Michigan's recycling to date and lack of funding statewide, some local Michigan communities have developed strong recycling programs—for example, the Southeastern Oakland County Resource Recovery Authority (SOCRRA) and the Resource Recovery and Recycling Authority of Southwest Oakland County. Both of these authorities are operated in southeast Michigan and are funded by member communities and through recycling fees for various items and services, as well as through the sale of collected materials. They also host a number of ongoing recycling and composting education programs in their communities.

MICHIGAN'S ECONOMY BENEFITS GREATLY FROM RECYCLING

There is much that Michigan can do to increase recycling, and the substantial economic benefits the state receives from the recycling and reuse sector—including jobs, support to the manufacturing sector, and tax revenues collected by state and local governments—should be an incentive to do so. Michigan has an estimated 2,242 establishments in the recycling and reuse industry with receipts of \$11.6 billion, a payroll of about \$2.06 billion, and employment of 61,700.

The recycling and reuse sector also produces indirect and induced economic activity as firms in the industry buy goods from other industries and the workers in these industries spend their wages to buy goods and services. Taking this into consideration, the industry is responsible for an additional 102,422 jobs. Combined with the 61,700 direct jobs, the industry is responsible for a total of 164,122 jobs, with a payroll of about \$4.8 billion and receipts of \$19.8 billion. The jobs created by the industry represent about 3.6 percent of

total Michigan wage and salary employment and the income generated is about 1.6 percent of total Michigan personal income. In addition, the industry generates about \$490 million in state and local tax revenues.

INCREASING RECYCLING IN MICHIGAN ENHANCES THE ECONOMIC BENEFIT

Increasing recycling efforts in the state would greatly enhance these economic benefits. This report shows that increasing the recycling rate in Michigan from the current level of 20 percent (2002 estimate) to the average of the other Great Lakes states (30 percent), would produce a total of 6,810 to 12,986 jobs, approximately \$155 to \$300 million in income, and approximately \$1.8 to \$3.9 billion in receipts (accounting for multiplier effects). This additional income would generate about \$12-\$22 million in state taxes. These estimates may be conservative because they do not take into account the substitution of recycled materials for alternate raw materials, which would cause recycling manufacturing to grow and create even more jobs.

An increase of about 7,000–13,000 jobs due to increased recycling may seem modest, but to put it in context, over the last two years only three of Michigan's twelve major business sectors—educational and health services, leisure and hospitality, and accommodation and food services—created more than 7,000 jobs. Given Michigan's job prospects, unemployment rate, and economic outlook, capturing the economic benefits provided by increased recycling should be made a priority for the state.

